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STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF MENTAL RETARDATION SERVICES
ANDREW JACKSON BUILDING
500 DEADERICK STREET, 15TH FLOOR
NASHVILLE, TENNESSEE 37243

DATE: February 15, 2007
TO: All DMRS Contracted Providers
FROM: Stephen H. Norris, Deputy Commissioner
RE: Changes in Agency Contact Information
Changes in Ownership

We have recently had several problematic issues arise surrounding agency changes. This memo is to clarify when and whom to notify if your agency has experienced a change in address, name, legal structure, or ownership.

Planned changes in agency address, name, legal structure, or ownership must be reported to DMRS **before** they occur. This is necessary to ensure that the agency remains in compliance with all rules and regulations and is not at risk of licensure revocation, sanctions, or recoupment. The provider agreement established between TennCare, DMRS, and your agency is a legally binding contract and requires amending anytime the above changes occur. Other governmental entities that license and regulate agencies contracting with the DMRS will also require notification of changes as noted below:

CHANGE IN OWNERSHIP/LEGAL STRUCTURE:

The DMRS Provider Manual Section 5.3 states that a new application must be submitted any time a change in ownership occurs. The purchasing agency may not bill DMRS for services rendered until a new provider agreement has been established and signed by DMRS, TennCare, and the new agency. An agency may not continue to bill DMRS using the previous agency's billing numbers and site codes once a change has occurred. Services may not be billed retroactively, should an agency provide services before a new provider agreement has been established. It is imperative that a new application be submitted as soon as a decision to change ownership has been determined, as the application process may take several or weeks, or months.

For agencies licensed to provide Professional Support Services through the Department of Health (DOH), Rule 1200-8-34-.03 states that,
a proposed change of ownership must be reported to the department [DOH] a minimum of thirty (30) days prior to the change. A new application and fee must be received by the department before the license may be issued.

Circumstances constituting a change in ownership may include, but are not limited to:

- Partnership changes
- Corporation changes
- Leasing Changes
- Transfers

(Please refer to 1200-8-8-.02(e) and 1200-8-34-.03(b)).

Other agencies licensed through DOH and/or licensed through the Department of Mental Health and Developmental Disabilities (DMHDD) are also required to submit a new application and fee before a change in ownership can occur. *(See Rules 0940-5-2-.09 and 1200-8-8-.02(d)).*

CHANGE IN ADDRESS:

For any agencies licensed through the DOH, including but not limited to Professional Support Services, Rule 1200-8-8-.02(3)(i) stipulates any change in address must be reported to the DOH at least 30 days in advance.

DMHDD Rule 0940-5-2-.09 states,

Licenses are not transferable or assignable. A new application must be made and a new license issued before services are provided when there is a change in the ownership or the location of a facility.

AGENCY NAME CHANGE:

Agencies licensed through the DOH must notify the DOH of all name changes in writing, per Rules 1200-8-8-.02(3)(a) and 1200-8-34-.02(1).

If licensed through DMHDD, please consult the DMHDD Office of Licensure ((615) 532-6590) prior to making any agency name changes.

Clinical services providers should contact Holly Wood at (615) 253-8338 or Holly.Wood@state.tn.us regarding any changes or with any questions. Providers of respite and long-term support, please contact Linda Maurice at (615) 532-6568 or Linda.Maurice@state.tn.us. Providers of Behavior Services, please contact George Zukotynski (615) 532-1610 or George.Zukotynski@state.tn.us with any questions.

Thank you for your continued cooperation.

SHN/hw

cc: Fred Hix
Larry Latham
Pat Nichols
Denine Hunt
Joanna Damons
Walton Moore, MD
Adadot Hayes, MD
Steve Tepley
Central Office Directors
Regional Directors